

Pete Stark's Legislative Report, Spring 2008

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JUMPSTARTING THE ECONOMY

Our economy is in trouble. Average family incomes are down while health care, housing, and tuition costs are up. Across California, working families are struggling to make ends meet.

Government has a responsibility to respond and help those in need. Last month, Congress passed and the President signed an economic stimulus package to jumpstart our economy and address our housing crisis.

While not perfect, the Economic Stimulus Act of 2008 (H.R. 5140) will provide direct and timely tax rebates to at least 117 million low- and middle-income households, 20 million senior citizens living on Social Security and 250,000 disabled veterans. The stimulus will also raise the limit on federally insured home loans — enabling more subprime mortgage holders in our community to refinance with federal loans, lower their interest rates and monthly payments and keep their homes. Higher federal caps are particularly beneficial to the East Bay, where average home prices are much higher than the rest of America.

The stimulus package originally proposed did not help Social Security recipients and disabled veterans. I'm pleased that Democrats fought for — and won — rebate checks for both senior citizens and disabled veterans. I was disappointed, however, to see Senate Republicans block a Congressional proposal to extend unemployment benefits and increase food stamp assistance for the out of work poor.

More broadly, the stimulus does not begin to address our larger economic problems. Nor does it undo the damage our economy has suffered from seven years of policies that helped the very wealthy at everybody else's expense.

In Congress, I will continue to advocate for tax fairness, aggressive oversight of the financial sector, new protections for consumers, and an economy that works for working families.

GETTING YOUR CHECK

To receive your rebate check, YOU MUST FILE A 2007 TAX RETURN – even if you do not owe taxes and do not normally file a return.

How Much Will You Receive?

The tax rebates are targeted at low and middle income families who need the money the most – and who are likely to spend it the soonest. Individuals and couples that make more than the following income caps may receive a check, but the partial rebate phases out quickly.

If you file taxes as an individual and last year made more than \$3,000 but less than \$75,000, you will receive \$300 - \$600. You will also receive an additional \$300 per dependent child.

If you file taxes as a couple and last year made more than \$3,000 but less than \$150,000, you will receive \$600 - \$1,200. You will also receive an additional \$300 per dependent child.

If you are on Social Security or are a disabled veteran and last year made less than \$75,000, you will receive \$300 - \$600. You will also receive an additional \$300 per dependent child.

When Will You Receive Your Check?

If you file by the Internal Revenue Service's April 15 deadline, you should receive your check between May and early July

WASTEFUL DEFENSE SPENDING

Want to know where your tax dollars are being spent? Ask a defense contractor.

Since 2001, baseline military spending has increased by 30 percent. Last month, the Administration proposed another

increase – to more than half a trillion dollars a year. If approved in full, defense spending would reach its highest level since World War II.

What does half a trillion dollars buy? Not wars in Iraq or Afghanistan, whose separate \$600 billion price tag has been funded through supplemental budgets. The money goes in part to weapons systems that don't work, we don't need and shouldn't pursue.

Consider missile defense, a Cold War fantasy. Despite more than \$100 billion in research, missile defense systems have yet to demonstrate even a basic ability to intercept incoming missiles. Even if they could, they'd do little to make us secure from the much more likely threat of a weapon delivered by suitcase or cargo container.

Production of the F-22 and Virginia Class submarine is another example of wasteful spending. Both weapons were designed with the Soviet Union in mind and neither is well equipped to combat modern threats.

Nuclear spending is even more troublesome. It's bad enough our country spends tens of billions of dollars a year to maintain thousands of nuclear weapons already in our arsenal. But to add insult to injury, the proposed budget includes millions for the development of a new type of nuclear weapon.

As a nation, we drastically overspend on defense and underspend on domestic priorities. In Congress, I will continue to vote against legislation that enriches defense contractors at the expense of our schools, our roads and our environment.

HELP WITH YOUR TAXES

Several government programs provide help to people filing their taxes. If you do not qualify for any of the assistance programs below, nonprofit organizations in our community may be available to help.

If You Earn Less than \$40,000 – The IRS's Volunteer Income Tax Assistance (VITA) Program offers free tax help to people who earn less than \$40,000. To locate the nearest VITA site in our community, call 1-800-829-1040 or visit <http://www.ftb.ca.gov/individuals/vita/sites.asp>.

If You Earn Less than \$54,000 – The IRS encourages you to file your taxes online – for free. Click on "FreeFile" at <http://www.irs.gov>.

If You are a Senior Citizen – The IRS's Tax Counseling for the Elderly (TCE) Program offers free tax help to taxpayers who are 60 and older. Through this program, Tax-Aide volunteers offer counseling services to seniors nationwide. To locate the nearest TCE site in our community, call 1-800-829-1040 or visit <http://www.ftb.ca.gov/individuals/vita/sites.asp>.

If You are in the Military – The IRS partners with the military to provide free tax help for military personnel and families through the Armed Forces Tax Council (AFTC). Volunteers are trained and equipped to address military specific

tax issues, such as combat zone tax benefits. For help through the AFTC program, visit the legal office at the military base closest to you.

MAKING COLLEGE AFFORDABLE

In our global, information-driven economy, a college degree is becoming a prerequisite for a good paying job. At the same time, rising costs are putting college out of reach for students. Since 2001, tuition and fees are up more than 75 percent at public four year universities and about 45 percent at both private four-year colleges and public two-year institutions. As a result, nearly 60 percent of students who graduate college today do so with debt — and with an average debt of nearly \$20,000.

In the richest nation on Earth, every student should be able to afford a college education. No student should have to take on massive amounts of debt to pay for college tuition, housing, textbooks or food.

Since becoming the majority in Congress, Democrats have taken significant steps to make college affordable. Last year, at no new cost to taxpayers, we enacted into law a \$20 billion increase in college financial aid over the next five years, the largest increase in student aid since the G.I. Bill of 1944. Our historic investment allowed us to substantially increase the size and scope of Pell Grants, cut in half the interest rate on federal student loans and bring overdue oversight to the predatory student loan industry.

Last month, the House made additional progress by passing the College Opportunity and Affordability Act (H.R. 4137). If signed into law by the President, this important legislation would simplify the federal financial aid application process, making it easier for students to receive the aid they need. The bill would also allow students to receive Pell Grants year-round, helping lower-income and nontraditional students who may be juggling work and family obligations. Finally, it would help students plan for textbook expenses and enable greater investment in minority-serving colleges.

Much like the mortgage industry, the student loan industry has for years operated without proper oversight. Predatory lenders were allowed to enter into quid pro quo agreements with universities and coerce students into high-interest loans. The College Opportunity and Affordability Act would address these abuses with new protections for borrowers. It would, for example, prohibit revenue sharing between colleges and lenders and require lenders to fully disclose all loan terms.

As a country, we should encourage our young people to pursue careers in public service. That's why it is important that the bill we passed included up to \$10,000 in loan forgiveness for graduates who teach in low-income areas or work in early childhood education or mental health.

In Congress, I will continue to fight to make college affordable for our students.

HEALTH CARE FOR CHILDREN

I believe every person in America — and especially every child — should have quality health care. Unfortunately, not every Member of Congress agrees.

In January, more than 150 Republicans voted to uphold a presidential veto of the Children's Health Insurance Program Reauthorization Act. As a result, a bipartisan effort to extend the Children's Health Insurance Program and provide health care to four million uninsured children fell about 15 votes short of the two-thirds majority necessary in the House of Representatives to override the veto.

If at first you don't succeed, try, try again. In Congress, I will continue to advocate for universal health care. Next year, with a new Administration, I hope and expect to have more success.